

AGENDA

Beta Meeting - December 20, 1995, 2:00 PM

Issues for discussion , in order of priority premised upon current business requirements.

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B. Sanyo Agreements

Lighter to be manufactured by Sanyo (Japan) in Japan, possibly later in Singapore. Initial launch markets are Japan and U.S., and, possibly, Hong Kong and/or Australia.

Current Business Proposal:

- 1) Lighter commercialization/manufacturing agreement between Sanyo (USA) and PM USA. Assumes that Sanyo (USA) will contract with its parent, Sanyo (Japan), for manufacture. Reservation of unilateral right in PM USA to designate purchasers including PM Products or the specific PM operating company in market.
- 2) Development agreement between Sanyo (Japan) and PM USA for second-generation lighters.

C. Consumer Testing

Consumer product testing of Beta cigarette and lighter by employees of non-tobacco PM affiliates in U.S. Test product will closely approximate final Sanyo design, which has not undergone 21-day test.

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F. Coordination issues with Arnold & Porter.